

Garden State Film and Digital Media Jobs Act

Film General Overview

- Qualified production companies can receive a transferable tax credit equal to 30% (35% in the following municipalities: Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Mercer, or Salem County) of qualified production expenses provided the production company meets the following requirements:
- On any individual project, a production company must incur at least 60% of total film production expenses in-state (exclusive of postproduction costs) or incur more than \$1 million in qualified production expenses.
- A production company must begin principal photography within 180 days of the original application date or 150 days from the date of approval of the application by the New Jersey Economic Development Authority.
- Employers must withhold New Jersey Gross Income Tax for employees working in the state and 6.37% from each payment to a loan out company or independent contractor.
- Excluded are payments in excess of \$500,000 made to a highly compensated individuals for costs of a story, script, or scenario used in the production of a film; and wages or salaries or other compensation for writers, directors, including music directors, producers, and performers.
- Reality television shows qualify for tax credits only if the production company producing the show has owned or leased a production facility of at least 20,000 sq. ft. for a minimum of 24 months, and has invested at least \$3 million in the facility, which must be located in a designated urban enterprise zone.
- Production companies can receive an additional credit equal to 2 percent of the qualified film or digital media production expenses provided that the application is accompanied by diversity plan; the plan is approved; and the New Jersey Economic Development Authority has verified that the applicant has met or made good faith efforts in achieving the goals stated within the diversity plan.
- The program has an annual cap of \$75 million per fiscal year (July 1-June 30) thru June 30, 2023.
- Digital media projects can receive a 20%-25% tax credit and have different requirements.

- Applications will be considered on a first come, first served basis.
- A production company's New Jersey production costs, and in some cases total production costs, must be certified by a New Jersey CPA according to agreed upon procedures.